States have much flexibility in setting rates
  • All states use fixed fee schedules
  • Methods for setting rates vary widely

Historically, low fees have contributed to low physician participation in Medicaid
  • Medicaid fees are primary lever that states have used to increase access to physicians
  • But fees are often among the first to be targeted for budget cuts
Physician Fee Levels for Selected Services, 2008

<table>
<thead>
<tr>
<th>Service</th>
<th>Medicaid FFS</th>
<th>Medicare FFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 min. office visit, established patient</td>
<td>$38</td>
<td>$60</td>
</tr>
<tr>
<td>Emergency department visit</td>
<td>$44</td>
<td>$59</td>
</tr>
<tr>
<td>45 min. hospital visit, new patient</td>
<td>$39</td>
<td>$63</td>
</tr>
</tbody>
</table>

Medicaid Fees as a Percentage of Medicare: U.S. Average

Medicaid Fees as a Percentage of Medicare, 2008

Physicians Less Likely to Accept New Medicaid Patients

<table>
<thead>
<tr>
<th></th>
<th>% of physicians accepting all or most new patients</th>
<th>% of physicians accepting no new patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>53</td>
<td>28</td>
</tr>
<tr>
<td>Privately insured</td>
<td>87</td>
<td>4</td>
</tr>
<tr>
<td>Medicare</td>
<td>74</td>
<td>14</td>
</tr>
</tbody>
</table>

Note: % of physicians accepting “some” new patients is excluded from table.

Source: Boukus et al., “A Snapshot of U.S. Physicians: Key Findings From the 2008 Health Tracking Household Survey,” Center for Studying Health System Change (September, 2009)
Acceptance of New Medicaid Patients Varies by Specialty, 2008

- Internal medicine: 40%
- Family practice: 44%
- Pediatrics: 65%
- Medical specialties: 65%
- Psychiatry: 42%
- Surgical specialties: 55%
- ObGyn: 50%

Source: Boukus et al., “A Snapshot of U.S. Physicians: Key Findings From the 2008 Health Tracking Household Survey,” Center for Studying Health System Change (September, 2009)
Reasons for Not Accepting Medicaid Patients

- Low fees: 84%
- Admin burden: 70%
- Delayed payment: 65%
- Clinical burden: 52%
- Full practice: 44%

Source: 2008 Health Tracking Physician Survey
Other Factors Besides Payment That Affect Physician Participation

- Other factors associated with higher physician participation
  - Younger physicians
  - Larger practices (vs. solo or small group practice)
  - Employed physicians (vs. owners)
  - IMG (vs. U.S. trained physicians)
  - Rural areas (vs. large metro areas)

- Effects of state variation in Medicaid fees on enrollee access and utilization are weak, at best

- Low overall supply of physicians may be more of a problem than low fees in some areas